

Ulster County Development Corporation
(UCDC)
Internal Control Assessment
As of 12/31/11

A. Define Major Business Functions

- Coordination and delivery of economic development services
- Administration of Ulster County Industrial Development Agency (UCIDA) and various loan programs.
- Facilitation of real estate development
- Financial operations
- Administration

B. Determine the Risks Associated with Operations

Assess Risk Exposure

- | | |
|-----------------------------|------------------|
| ➤ Economic Development | Moderate |
| ➤ UCIDA/Loan Administration | Moderate |
| ➤ Real Estate Development | Moderate to High |
| ➤ Financial Operations | Moderate to High |
| ➤ Administration | Low |

Risks

- Conflicts of Interest
- Improper influence of project clients or involved officials on UCDC
- Improper influence of UCDC on project clients or involved officials
- Non-Repayment of Loans
- Negligent or fraudulent administrations of UCIDA
- Projects do not accomplish their goals
- Fraud in financial operations

C. Internal Control Systems in Place

- Mission Statement
- Policies
- Procedures
- Job Descriptions

D. Assessment of the Effectiveness of Internal Controls

- President's review of controller and administrative functions
- Audit Committee meetings
- Governance Committee meetings
- Annual Reports
- External audit

C. Corrective Action

- Plans developed when weakness is identified
- Plans adopted by the board and monitored by management